



DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20350

SECNAVINST 12790.5
OCMM 5313

21 May 1976

SECNAV INSTRUCTION 12790.5

From: Secretary of the Navy
To: All Navy and Marine Corps activities employing civilians
Subj: Resale activities conducted by civilian morale, welfare,
and recreation activities under the jurisdiction of the
Office of Civilian Manpower Management

Ref: (a) DOD Instruction 1330.18 (Implemented by SECNAVINST
4060.1) (NOTAL)

Encl: (1) DASD(M&RA) memo for the ASN(M&RA) of 7 Nov 75

1. Purpose. To establish policy in accordance with enclosure
(1).

2. Discussion. Enclosure (1) clarifies reference (a) by
specifically permitting the operation of employee clubs which
sell merchandise or services as an ancillary function in
support of civilian MWR organizations. Large civilian resale
activities, however, are contrary to Department of Defense
policy and good management practices. Accordingly, civilian
resale activities are to be held to a minimum and, when
approved, should serve as an adjunct to an established club
or program, not as a primary source of income. Care should
be taken to assure that employees participating in resale or
service programs are active members of the morale, welfare, or
recreation activity concerned.

3. Policy. The resale of merchandise and services by
civilian MWR activities shall be as follows:

a. Resale activities are limited to CONUS and Hawaii.

b. Consignment sales are not authorized.

c. The items of merchandise and the types of services
being sold must be directly related to the specific purpose
and function of the program, club, or service operated by the
nonappropriated fund instrumentality. (Examples: a camera
club may sell photographic equipment and provide a film
processing service; a rod and gun club may sell fishing and
hunting equipment; and an art club may sell artists' supplies.)

d. Goods and services sold must be for the primary use
of the employee or his immediate dependents.




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e. The sale of household items and appliances; automotive parts, accessories and tires; and items of general clothing is prohibited.

4. Action. Prior to establishing any resale or service activity authorized above, written approval must be obtained from the Office of Civilian Manpower Management, via the appropriate chain of command. Similar approval to employ personnel to administer or operate a resale or service activity must also be obtained in advance.


JOSEPH T. MCQUILLEN, JR.

Assistant Secretary of the Navy

(Manpower and Reserve Affairs)

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MANPOWER AND
RESERVE AFFAIRS

ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

November 7, 1975

MEMORANDUM FOR The Assistant Secretary of the Navy (M&RA)

This is intended to clarify some uncertainties pertaining to the resale activities of employee morale, welfare and recreation clubs, especially as they relate to the provisions of DoD Instruction 1330.18.

Many (if not most) of these clubs or organizations have been established to provide support for civilian recreation organizations, and civilian employees in the U. S. of the military departments and agencies may not, as a condition of employment, have access to items of sale in military exchanges. Accordingly, the continued operation of employee clubs which sell merchandise or services as an ancillary function in support of civilian morale, welfare and recreation organizations is considered not to be in conflict with the provisions of Paragraph II of DoD Instruction 1330.18. This memorandum assumes that present component policies will continue to govern the operation of such activities, including patronage by authorized personnel, either military or civilian.

CARL W. CLEWLOW
Deputy Assistant Secretary of Defense
(Civilian Personnel Policy)

Enclosure (1)

